



Majority Caucus
U.S. House of Representatives
Jim Nussle, *Chairman*

COMMITTEE ON THE BUDGET

309 Cannon House Office Building
Washington, DC 20515 • (202) 226-7270
Rich Meade, *Chief of Staff* • www.budget.house.gov

SUMMARY

MANAGER'S AMENDMENT TO H.CON.RES. 95, THE CONCURRENT RESOLUTION ON THE BUDGET

for Fiscal Year 2004

Wednesday, 19 March 2003

Policy Changes

- Eliminates across-the-board savings that could be attributable to Medicare. This increases the BA and outlay totals for Medicare (Function 570) by \$200 billion over 10 years, as well as the aggregate levels of BA and outlays. It also increases interest, debt, and the deficits relative to the Committee-reported bill.
- Reinstates a separate 10-year allocation for Medicare, which can accommodate a bill reported by either Ways and Means or Energy and Commerce.
- Reinstates a reserve fund for Medicare, which fences off \$400 billion for Medicare modernization and prescription drug coverage.
- Gets to balance in 2012, with a surplus of \$21 billion.
- Increases discretionary BA for veterans (Function 700) by \$844 million in fiscal year 2004.
- Adds findings and purpose to reconciliation instructions to emphasize the congressional intent that the savings are to come from eliminating waste, fraud, and abuse.
- Retains tax cuts in reported bill, and continues to reconcile growth package.
- Retains mandatory initiatives for veterans, welfare reform (still \$1 billion above President), the Civil Service Retirement System, Medicaid and the Family Opportunity Act.
- Compensates Postal Service for overpayments to pension system for Postal employees.

Technical Changes

- Modifies across-the-board reduction to correct for error in agriculture baseline. This correction lowers the amount of savings required of most committees to achieve a 1-percent reduction from fiscal year 2003.
- Reduces outlay levels in transportation (Function 400) because the Committee-reported resolution overstates the increase in outlays necessary to reach CBO's baseline.
- Corrects contract authority levels in reserve fund for highways (Section 311), which were overstated in reported resolution.